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Department of
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Economic
Research
Service

WS-262

November 1982

Wheat

FISTA/ST

OUTLOOK & SITUATION

Table 1--Wheat: Supply, disappearance, area, and prices, marketing years 1979-82*

Item	1979/80	1980/81	1981/82 (prel.)	1982/83 (proj.)
		Million bushels		
Supply				
Beginning stocks, June 1	924	902	989	1,163
Production	2,134	2,374	2,793	2,811
Imports 1/	2	3	3	2
Total	3,060	3,279	3,785	3,976
Domestic disappearance				
Food	596	611	600	610 ± 5
Seed	101	114	112	105 ± 5
Feed 2/	86	51	137	150 ± 50
Total	783	776	849	865 ± 55
Exports 1/	1,375	1,514	1,773	1,650 ± 150
Total disappearance	2,158	2,290	2,622	2,515 ± 175
Ending stocks, May 31	902	989	1,163	1,461 ± 175
		Million acres		
Area				
Planted	71.4	80.6	88.9	87.2
Harvested	62.5	71.0	80.9	79.0
Set-aside and diverted	8.2	--	--	5.8
Allotment/Nat'l program	70.1	75.0	84.5	--
		Bushels per acre		
Yield per harvested acre	34.2	33.4	34.5	35.6
		Dollars per bushel		
Prices				
Received by farmers	3.78	3.91	3.65	3.40-3.50
Loan rate	2.50	3.00	3.20	3.55
Target rate	3.40	3.63	3.81	4.05

1/ Imports and exports include flour and other products expressed in wheat equivalent.

2/ Residual, approximates feed use and includes negligible quantities used for alcoholic beverages.

* Totals may not add due to rounding.

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Summary

Record U.S. Wheat Supply Depresses Prices

Although U.S. wheat growers harvested fewer acres in 1982, favorable growing conditions in major producing areas were more than offsetting. Yields rose to an all-time high of 35.6 bushels an acre, producing the largest wheat crop in U.S. history. Total 1982 production is estimated at a record 2.8 billion bushels, 1 percent above the previous high in 1981. The bumper crop adds to the very large June 1 carryin of old-crop stocks to create a record wheat supply of 4.0 billion bushels for 1982/83. Prospects are dim for using the entire 1982 crop; thus stocks carried into the 1983/84 marketing year (June 1-May 31) could reach 1.5 billion bushels, close to the 1961 record. More than three-fourths of the carryover will be grain reserve stocks and Government inventories.

Effects of the record supply have been quite severe, with market prices hitting a 4-year low. Because farm prices have fallen as much as 30 cents a bushel below the $3.55 regular loan, eligible producers have made heavy use of the $4-a-bushel grain reserve loan. Accelerated export buying and continued use of the reserve could help bolster prices in the short run, while indications of widespread participation in the 1983 acreage reduction and diversion program could buoy more distant prices. However, for this season, the average farm price is forecast at $3.40 to $3.50 a bushel, below last season's $3.65. The low June-October average farm price means that a 50-cents-a-bushel deficiency payment will be due program participants. Total payments may reach $530 million, compared with $415 million in 1981.

Ending 5 years of steady growth, world wheat trade during 1982/83 trade may be down 2 million tons from last year's record 102 million. Intense competition among exporting nations and reduced imports by the Soviet Union are expected to cause U.S. exports to fall 5 percent below 1981/82's alltime high of 1.77 billion bushels. To make the United States more competitive in world markets and to generate additional export sales, USDA announced a 3-year "Blended Credit" Export Enhancement Program in late October. This program is expected to benefit agricultural exports in general, but its effect on this season's total wheat shipment remains uncertain.

The 1983/84 season will be the second successive year that U.S. wheat growers will have to reduce acreage to be eligible for target price protection and the loan programs. Participation in the 1983 program is expected to exceed the nearly 50 percent compliance rate in 1982. Faced with low prices at fall planting time and a dim price outlook if supplies relative to demand are not reduced, growers should harvest fewer acres in 1983 than this year's 79 million acres.

Global wheat production in 1982/83 is forecast at 462 million tons, 4 percent above the 1978/79 record. Because this large crop will outpace expected use, world wheat stocks will rise to their highest point in 4 years. The United States will hold 44 percent of world stocks, up from an average of 30 percent from 1979 through 1981.

Wheat Situation

THE 1982/83 SITUATION

Record 1982 U.S Wheat Crop Boosts 1982/83 Supply

Record Hard Red Winter and Hard Red Spring harvests more than offset reduced Soft Red, White, and Durum output, resulting in the largest production in U.S. history. As of November 1, the total crop was estimated at 2.81 billion bushels, enough to inch above last year's record and 18 percent above production in 1980. Although variable weather conditions throughout the year threatened the crop outcome, generally favorable growing conditions prevailed from Texas to the Canadian border in the Great Plains wheat belt. The perennial leading producing States of Kansas and North Dakota garnered their largest crops ever. In contrast, above-normal winter damage and excessive spring rains in major eastern and southern production areas and dry, hot conditions in the Pacific Northwest reduced yields significantly for both Soft Red and White wheat. Total soft wheat output was down 14 percent from 1981's record.

Overall, wheat growers made only slight adjustments in the seeding of their 1982 crop in response to the Government acreage reduction program. Winter wheat plantings actually increased to a new high because seeding was completed before the program was announced. Spring wheat farmers reduced plantings 9 percent from 1981. But with spring acreage accounting for only a fourth of all wheat, total 1982 harvested acreage was down less than 2 million acres from the record 80.9 million a year earlier. Higher yields more than compensated for the reduced acreage. Nationally, the average yield per harvested acre was an alltime high 35.6 bushels, 1.1 bushels above the 1981 record. Production of the five major wheat classes is described in the WHEAT BY CLASS section.

This year's bumper crop plus the June 1 carryin of very large old-crop stocks adds up to an historically large wheat supply of 4.0 billion bushels for 1982/83. While supplies of hard wheat will be up 11 percent from last season, soft wheat will be down 8 percent. Since prospects are not bright for using all of this year's crop, stocks carried over into the 1983/84 marketing year could approach the record high 1.5 billion bushels of the early 1960's. Over three-fourths of these stocks could be isolated from the market in the farmer-owned grain reserve or owned by the Commodity Credit Corporation (CCC).

Food Use Recovers; Feed Use Remains Stable

Apparent wheat food use (mill grind less flour exports) during the first 4 months (June-September) of the current marketing year was up slightly from the same period a year earlier. This pickup reflects a recovery from the slow milling activity in the latter months of the 1981/82 marketing year. Wheat food use in 1982/83 is projected to climb back on trend to 610 million bushels. Abundant supplies of low-priced wheat have stabilized bread flour prices, and are allowing millers and bakers to continue buying "hand-to mouth," minimizing inventory costs. However, increased use of the grain reserve by producers could limit readily available supplies of certain wheat classes in the second half of the season.

The October grain stocks report confirmed the earlier forecast that wheat feeding could follow last season's pattern. The stocks report showed that apparent feed and residual disappearance during June-September 1982 was around 175 million bushels. This indicates that below-loan-level prices at harvest encouraged the use of wheat—particularly low-quality discounted stocks—in feed rations. But, just as the total volume allocated to the feed-residual category in 1981/82 was 50 million bushels below the initial estimate for June-September 1981, the final allocation for 1982/83 could also be lower, perhaps being around 150 million bushels. For 1981/82, the feed use/residual amount was about 137 million bushels.

Export Pace Slow

The steady growth in world wheat trade over the past 5 years is likely to end this season, although trade may be second only to 1981/82's record 102 million metric tons. The world economic turndown, the strength of the U.S. dollar, foreign exchange constraints in some importing countries, increased production by most major wheat exporters, and the forecast for reduced wheat imports by the Soviet Union have dimmed prospects that U.S. exports will match last season's record 48 million metric tons (1.77 billion bushels).

The U.S. share of global wheat trade partly depends on supplies available from other exporting countries and their export sales policies. The early season outlook indi-

Wheat: Supply and disappearance

Item	June-Sept.	
	1981/82	1982/83
	Million bushels	
June 1 stocks	989	1,163
Production	2,793	2,811
Total supply 1/	3,783	3,974
Exports	622	546
Food	202	206
Seed	37	37
Feed	188	175
Total disappearance	1,049	964
October 1 stocks	2,734	3,010

1/Includes imports.

cates intensified competition among exporter nations. The U.S. share of overseas wheat markets is expected to dip slightly from last season's high of 48 percent, in part because of the cutback in Soviet needs. U.S. exports for 1982/83 are forecast at 1.65 billion bushels, down 7 percent from last year's record. As of early November, export commitments—shipments plus outstanding sales—totaled over half of the season's projected volume of whole grain sales. A year earlier, commitments represented nearly two-thirds of final sales. To achieve the export forecast for whole grain, average shipments for the remainder of the year must increase to 33.6 million bushels a week, about 7 million bushels above weekly loadings averaged so far this season. Such an increase would be close to that which estabished last year's record shipments. Reduced export availabilities from Australia and Soviet purchases to meet commitments under the Grain Supply Agreement should boost U.S. exports during the second half of the marketing year.

Export Expansion Program Instituted

To make the United States more competitive in the world grain market and to generate additional export sales, USDA announced a 3-year "Blended Credit" Export Enhancement Program in late October. Essentially, this program designates $500 million in fiscal 1983 to existing Commodity Credit Corporation export credit sales programs. Another $500 million will be added in fiscal 1984 and again in fiscal 1985. A portion of the program includes interest-free direct export credit blended with commercial export financing with repayment guaranteed by the Government. All commodites are eligible for these credits with preference given to those in greatest surplus and causing the greatest outlays from the U.S. Treasury. Major targets are likely to be developing countries, especially new customers or those re-entering the U.S. market. Those countries that have been denied Most Favored Nation Status, which includes the USSR, are excluded from consideration. The program should benefit U.S. agricultural exports, but it's effect on this season's wheat exports remains uncertain.

U.S. Average retail prices for cereals and bakery products, 1982

Cereals and bakery products:	June	July	Aug.	Sept.
	Dollars per 1-pound			
Flour, white all purpose	0.23	0.23	0.23	0.23
Rice, white, long grain, precooked	NA	NA	NA	NA
Rice, white, long grain, uncooked	.50	.50	.49	.49
Spaghetti	NA	NA	NA	NA
Bread, white pan	.52	.53	.53	.54
Bread, French	.90	.92	.92	.92
Bread, whole wheat, pan	.81	.81	.80	.81
Bread, wheat blend, pan	NA	NA	NA	NA
Rolls, hamburger	.84	.82	.81	.78
Cupcakes, chocolate	1.81	1.81	1.80	1.82
Cookies, chocolate chip	1.77	1.75	1.73	1.76
Crackers, soda, salted	.88	.91	.90	.87

NA = Not Available.

Wheat Prices At 4-Year Low; Deficiency Payments Due

With 1982's bumper harvest building supplies to a record 4.0 billion bushels, prices during 1982/83 are not likely to recover sharply from the lowest levels in 4 years. Sluggish exports during June-October reconfirm the forecast that export demand will be below the 1981/82 record. This weakness in demand has tended to offset the price impact from record amounts of wheat being placed into the 3-year farmer-owned grain reserve. Futures market prices continue near season lows.

Accelerated export buying and continued entry into the reserve could help bolster prices in the short run, while any strength in the long-term price outlook will likely depend on producer participation in the 1983 acreage reduction program. For the season, the average farm price will likely fall between $3.40 and $3.50, below last season's $3.65 a bushel.

Average farm prices for June-October were below both the $4.05 a bushel target price and the $3.55 loan level. This means that a 50 cents-a-bushel deficiency payment will be paid to producers who complied with the 1982 acreage reduction program. The total estimated payment of $530 million compares with $415 million in 1981.

OUTLOOK FOR 1983 PLANTINGS

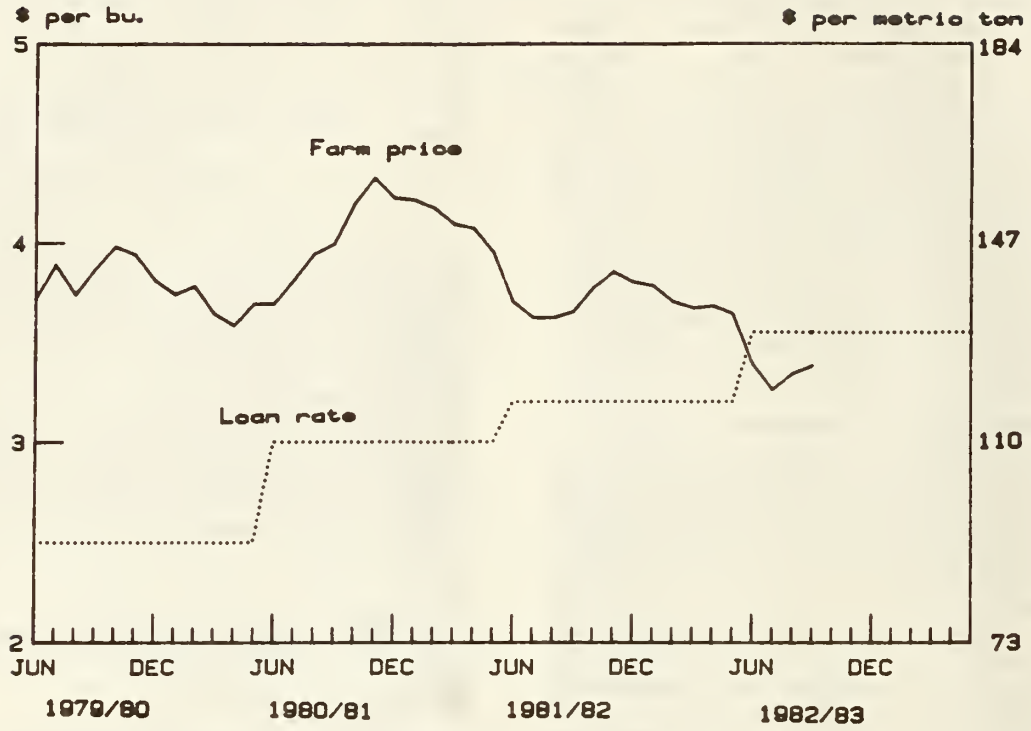
To Plant or Not To Plant

The 1983/84 season will be the second successive year that wheat growers must decide whether to participate in an acreage reduction program. Their decisions on what and how much to plant will be based on price expectations for wheat and competing crops, weather, and perceived benefits from complying with program planting restrictions. Provisions of the 1983 program have been expanded to encourage greater producer participation than in 1982 when 48 percent of the 90.7 million wheat acreage base was in compliance.

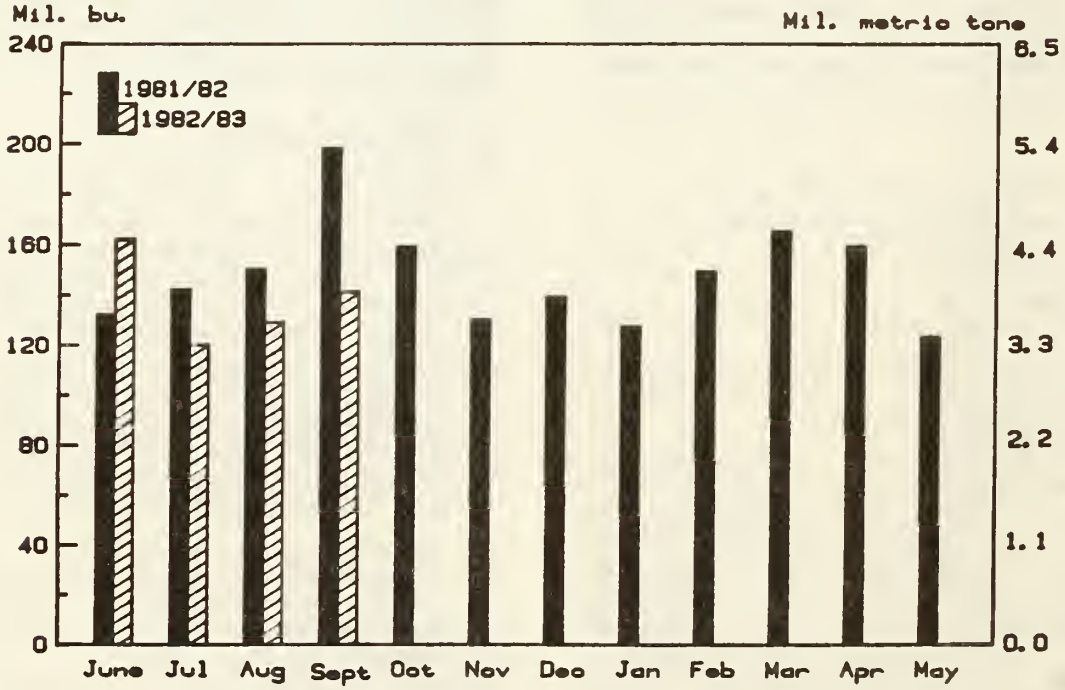
Some of the major features:

- The program is a combination 15-percent acreage reduction plus a 5-percent paid land diversion, which means a producer must reduce 1983 wheat acreage for harvest from the farm's established acreage base by 20 percent to be eligible for program benefits. This compares with a straight 15-percent acreage reduction for the 1982 crop.
- At signup time (October 1 - March 31, 1983) a farmer may request an advance of 50 percent of the diversion payment. The diversion payment is $2.70 a bushel, so a farm's advance payment would be $1.35 times the farm's program yield times the acres placed in the diversion program.
- Also upon signup, growers may request half of the projected deficiency payment for the 1983 marketing year. Advance payments would equal 32.5 cents a bushel times the farm yield times the planted acreage.
- The program provides for a $4.30-a-bushel target price and a $3.65-a-bushel regular loan. Reserve program provisions will be announced at a later date.

Wheat Prices Received by Farmers



U. S. Wheat Exports by Months, Marketing Years 1981/82 and 1982/83



Includes flour and products in wheat equivalent.

Decision Factors Suggest Increased Participation

After only a slight decrease in 1982 harvested acreage and record yields throughout the wheat belt, the largest crop ever harvested caused growers to face weak market prospects while making winter wheat planting decisions during August-October. Prices were at 4-year lows and appeared generally unfavorable for other competing crops. New-crop future's prices (1983) were below the loan level in late October. July contracts at Chicago and Kansas City were running around $3.35 and $3.55 a bushel, more than $1 under a year earlier. Gloomy price prospects and expectations of unprecedented high wheat carryover stocks next June appear to be the overriding factors influencing planting decisions.

Wheat producers need to pencil out how net returns from compliance in the 1983 program would compare to those earned by not complying. This comparison rests fundamentally on whether the grower can expect greater returns above variable costs by planting all land to wheat. Each farm has its own "breakeven" price due to its particular production costs and yield per acre combination, but generally a typical producer would have to realize $3.90 to $4.00 a bushel from the marketplace to offset the benefits provided by complying with the acreage reduction program. And this does not consider the financial benefits from use of the grain reserve. It does assume that deficiency payments would be at the maximum level of 65 cents a bushel. Current price expectations suggest greater incentive to comply in the 1983 program than last year, especially for producers who find the 50-percent advance payment attractive to their cash flow needs. Even with base acreage similar to 1982's, overall participation—measured as ratio of complying base acreage to an established base acreage—could approach 60-65 percent in 1983 compared with this season's 48 percent.

On balance, plantings for the 1983 wheat crop will likely be down from this year's 87 million acres, perhaps by 2-4 million. The acreage reduction program will probably keep harvested area below 1982's 79 million acres.

WORLD WHEAT OUTLOOK

Another Record World Wheat Crop Forecast

Early expectations for a record 1982/83 world wheat harvest were in jeopardy as an extended period of dry weather shattered Australia's crop prospects. But, an upward revision of wheat production estimate in the Soviet Union and other major producing countries caused 1982's global wheat production to climb to another all-time high 462 million tons, or 16 million above last year. Although larger than last year, 1982 is considered to be the Soviets fourth successive poor crop because of poorer quality. The most significant production shortfall will be in Australia, where the harvest will likely be only half of last year's bumper 16 million tons. Record or near-record output will come from the United States, Canada, the European Community, China, Mexico, Turkey, Argentina, and India.

Global wheat consumption is expected to increase to a record 453 million tons after declining, about 1 percent in 1981/82. Food use may rise slightly in the developing countries and be about unchanged in centrally planned countries. Production will continue to out pace use, leading to an 8 million ton increase in world wheat stocks, the highest level since 1978/79's 101 million tons. These carryover stocks going into the 1983/84 crop year, will represent about 20 percent of utilization, compared with 19 percent in 1981/82. The United States will hold 44 percent of the projected 1982/83 world carryover, up from 38 percent last year.

Successive Seasons of Record World Wheat Trade To End

Following 3 successive years of record volumes, world wheat trade is expected to decline for the 1982/83 marketing year (July-June), partly because of the economic downturn in many nations. Trade will be about 100 million tons, down slightly from last year's record 102 million.

Record exportable supplies in most major wheat exporting countries will make selling keenly competitive. Only *Australia*, with its significant 1982 crop shortfall, will be noticeably short of available supplies. Increased supplies from a record 1982 crop and a continued aggressive export program will likely result in record *Canadian* exports of 19.5 million tons. A record harvest in the *European Community* will add pressure for the EC to seek markets despite the high cost of subsidizing exports while world wheat prices are low. An expected near-record harvest in *Argentina* will increase emphasis on expanding exports to keep ending year stocks minimal.

On the import side, the *USSR's* poor quality harvest will mean continued dependence on large wheat imports. However, slow early season purchases seem to indicate that Soviet buying might be below last season's record 19.5 million tons. Purchases from the United States may be down from the 6.8 million tons of a year ago. *China*, which made large purchases of U.S. wheat late last season, may import a record 14 million tons from all world wheat exporters. Reduced supplies of quality wheat and a smaller rice harvest in *India* will necessitate another year of importing, possibly twice the volume of a year ago. Due to improved production and large foreign debt in *Eastern Europe*, imports will be down. Large crops will also curtail purchases by the major Latin American wheat importers, *Brazil* and *Mexico*.

WHEAT BY CLASS

1982 HRW Crop and Supply Set Records

Increased area planted to Hard Red Winter (HRW) wheat and reluctance to plow up a prospective high-yielding crop in order to comply with the acreage reduction program led to a record 1982 crop of 1.26 billion bushels. HRW production in Kansas and Oklahoma was the largest in history, 462 and 228 million bushels, respectively. Production in Kansas was 157 million bushels above the freeze-damaged 1981 harvest. Quality of the crop, which has been above average the last few years, is down this year because of a rain-delayed harvest and cool temperatures. Protein in the Kansas Crop was close to the 10-year average, but still down nearly 2 percentage points from last year. The fungus disease "wheat scab" affected some HRW areas but less than 3.5 percent of total production was affected.

Large June 1 stocks and the record crop mean 1982/83 HRW supplies will continue at their peak—9 percent

above last season. Prospects for increasing this season's HRW marketings are not good, leading to the likelihood of a further increase in the yearend carryover. Exports may be hard pressed to reach last year's record 755 million bushels, because purchases by the USSR and Latin America may not be nearly as large as a year ago. The recently announced export credit program should increase buying interest. Commitments as of late October were nearly a third behind last year's pace because of minimal purchases by the Soviet Union, traditionally the largest buyer of HRW. Even with large HRW supplies, increases in the livestock feed use of wheat is likely to be confined to the poorer qualities, due to the huge stocks of low-priced feed grains.

This year's record HRW supply has affected early season farm prices much more severly than a year ago. During June-September, farm prices averaged around $3.30 a bushel, compared with $3.67 for the same period in 1981. Farm prices have not been this low since 1978/79. This precipitious decline took place despite limited selling by producers and record large placements of a single crop of HRW into the grain reserve program in the first 4 months of a marketing year. Any price strength will hinge on further entries into the reserve, a recovery in export sales activity, and indications that planted area for the 1983 crop will be reduced.

Record 1982 HRS Harvest; Exports Likely To Expand

Back-to-back record harvests in 1981 and 1982 set the stage for Hard Red Spring (HRS) wheat this season. The 1982 production of 504 million bushels topped last year's record by 8 percent. Even though more than half a million fewer acres were harvested than in 1981, principally due to acreage reduction program compliance, growing conditions developed beyond expectations resulting in record high yields in major HRS areas. The average U.S. yield was more than 3 bushels higher and featured an important producer like Montana with a record yield of 33 bushels per acre, up 7 bushels. This season's favorable plant development was confirmed by an early survey that indicated the 1982-crop quality is one of the best in recent years. Test weights are up from a year ago, and protein content will average about 14 percent. A large share of production is expected to grade U.S. No. 1 as it is free of sprout damage.

The bumper 1982 crop means the HRS supply will continue to be record high, exceeding 800 million bushels for the first time. Domestic disappearance may be on the upswing because HRS will be the main source of abundant and attractively priced high-protein wheat. Although HRS prices will likely maintain their premium over prices for 1982 HRW, with its reduced protein level, bakery flour blends are likely to include more spring wheats.

HRS exports are also likely to increase, again because they're a "good buy". So far, the export pace outshines all other classes with HRS commitments representing nearly 15 percent of all wheat commitments, compared with 10 percent last season. A portion of this early marketing year surge may be due to shifts from HRW because of concern for HRW quality. While competition from Canada's 1982 crop may limit the size of the upturn in 1982/83 HRS exports, the current forecast is modestly below the record 245 million bushels established in 1973/74. If HRS growers make extremely heavy use of the grain reserve program and prices respond, export buyers may switch classes.

1982 Durum Crop Second Largest; Disappearance Projected Down

The smallest acreage harvested in 3 years produced a 151-million- bushel 1982 Durum wheat crop, 19 percent below last year's record. Sizable participation in the 1982 acreage reduction program was partially offset by a favorable growing season as yields were record high throughout most growing areas.

Yields in North Dakota and Montana reached new highs of 33 and 30 bushels per acre, respectively, 4 and 7 bushels above last year. Yields of over 90 bushels per acre were common in the Southwest (Arizona and California), but low Durum prices last fall caused a sharp cutback in seedings in favor of HRW. Excessive moisture during early harvest caused some concern for quality, but conditions improved as the harvest progressed, leading to generally very good quality characteristics for the 1982 crop. Minimal sprout damage was reported.

Along with the near-record harvest, the sizable carryover stocks from last year will provide a record supply of 260 million bushels of Durum, enough to meet average annual disappearance for 2 years.

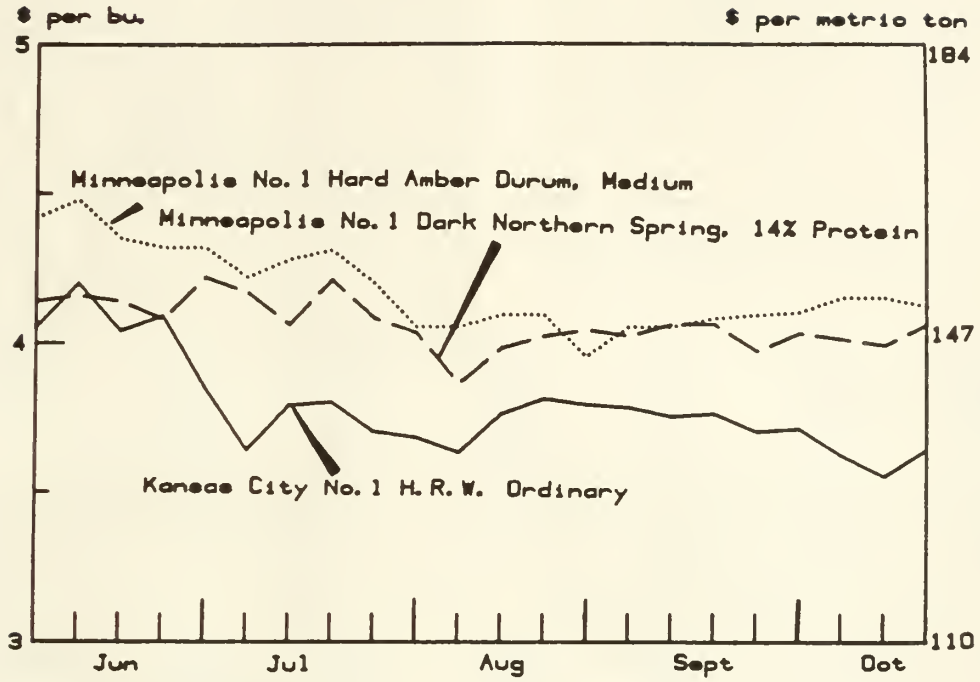
Prospects for whittling down this huge supply are not bright. While there may be some increase in domestic food use because low prices should keep pasta food product prices competitive, feed use should be minimal because of Durum's good quality, low feed grain prices, and reduced production in the Southwest. The availability of large supplies of attractively priced U.S. Durum does not guarantee strong export demand. Expanded production in most foreign areas using Durum in their food production, including a banner 1982 Canadian crop, suggests U.S. Durum exports will fall back to their 72-million-bushel annual average of the last 5 years. A record 82 million bushels were exported last season. As of late October, commitments were only about half the volume of a year ago.

Reflecting the large supply, cash prices of No. 1, Hard Amber Durum at Minneapolis have been at their lowest level since 1978, barely $4 a bushel in September. This compares with $4.56 last fall and over $7 a bushel in 1980/81, when supplies were short. Considering the disappointing demand outlook for 1982/83, any favorable price response would have to center around heavy use of the 3-year grain reserve loan program. As of November 1, Durum reserves totaled 62 million bushels, including 24 million bushels of 1982-crop placements.

1982 Soft Red Production Down; Exports To Decline From Last Year's Record

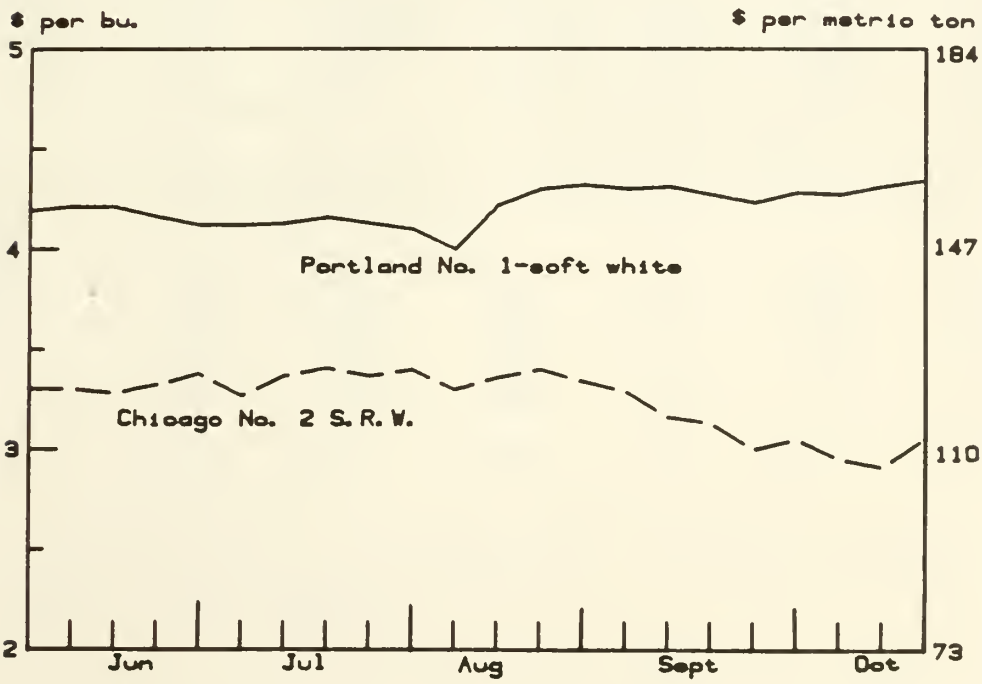
At one time, the combination of a continued expansion of acreage planted to Soft Red Winter (SRW) wheat and low compliance in the acreage reduction program suggested a record 1982 harvest. However, winter damage and excessive spring precipitation increased abandonment while disease problems lowered yields in all SRW producing States. Still, the second largest Soft Red crop was harvested—605 million bushels—down nearly 70 million from 1981's record. Overall quality of the 1982 crop is considered good, although southern areas experienced springtime disease problems that reduced test weights.

Cash Wheat Prices, 1982/83*



* Thursday price

Cash Wheat Prices, 1982/83*



* Thursday price

Soft wheat flour users should find ample supplies at desired protein levels, which are down from a year ago.

While carryin of SRW was considered at the pipeline level after the record 1981/82 disappearance, the total 1982/83 supply is only 6 percent below last year's alltime high. Thus, over 600 million bushels of SRW will have to be used to prevent a buildup in stocks. Because it is still the lowest priced wheat at dockside, SRW should maintain its position as the second leading U.S. wheat class going overseas. However, foreign competition, reduced demand from China—the No. 1 customer—and financial problems of some foreign customers, reduce the prospect of matching last year's phenomenal of 460 million bushels. Exports this season are projected to be around 400 million bushels, but the final impact of the recent "blended" export credit program could favor additional SRW business overseas.

White Wheat Crop Down; Increased Grain Reserve Entry Squeezes Free Supplies

The estimated 1982 White wheat harvest of 288 million bushels is the first decline after two successive record crops (table 2). Program participation reduced harvested acreage in the Pacific Northwest by about 400,000 acres. Also, a very dry June reduced yields as much as 9 bushels an acre in Washington, the leading grower. White wheat production in the East was down nearly 40 percent due to reduced yields from winter damage and excessive spring precipitation.

The smaller crop and the large carryover of over 100 million bushels of old-crop means the 1982/83 White wheat supply will be down about 11 percent to just under 400 million bushels. This amount is sufficient to meet the season's expected domestic and export needs of around 270 million bushels. However, producers have continued to add substantial amounts of the 1982 crop to the grain reserve. The reserve already held over 60 percent of total stocks carried over from past seasons. Further additions to the reserve could cause available "free" stocks of White to tighten, particularly if export demand picks up. However, White wheat export prices already carry a substantial premium over other classes, particularly Soft Red, its main competitor. As long as this price relationship exists, importers will likely favor the less costly SRW. Thus, 1982/83 White wheat exports are projected to be off from the past two very strong seasons.

Larger 1982 Rye Crop; Prices Weaken

The 1982/83 rye season began with the lowest stocks in recent years—3.1 million bushels. As the new crop developed, U.S. supplies were so short and high-priced—over $4 a bushel—that record purchases of Canadian rye were necessary to meet early season domestic demand. However, minimal winter damage and timely spring moisture resulted in a record yield of 28.5 bushels per acre and the largest rye crop in 3 years—20 million bushels—replenishing 1982/83 supplies. Demand will probably be dampened because bumper feed grain stocks and low feed grain prices are likely to reduce rye feeding. Feed usually accounts for the largest single use of rye, so yearend stocks are likely to build after declining for 2 years. Based on this weaker demand, and the general weakness of this year's grain markets, October prices of rye at Minneapolis have been around $2.60 a bushel, $1 lower than a year ago.

Rye: Supply and disappearance

Item	June-Sept.	
	1981/82	1982/83
	Million bushels	
June 1 stocks	4.1	3.1
Production	18.6	19.9
Total supply 1/	22.8	23.8
Exports	2/	0.1
Food	1.2	1.2
Seed	2.1	2.1
Industrial	0.4	0.5
Feed	4.6	4.0
Total disappearance	8.3	7.9
October 1 stocks	14.5	15.9

1/ Includes imports. 2/ Less than 5,000 bushels

Table 2--Wheat classes: Marketing year supply and disappearance 1/

Year beginning June 1	Supply			Disappearance			Ending stocks May 31
	Beginning stocks	Production	Total 2/	Domestic use	Exports	Total	
				Million bushels			
1979/80:							
Hard Winter	423	1,089	1,512	347	725	1,072	440
Hard Spring	320	363	684	182	217	399	285
Soft Red	27	317	344	150	154	304	40
White	68	259	327	55	196	251	76
Durum	86	106	193	49	83	132	61
All classes	924	2,134	3,060	783	1,375	2,158	902
1980/81:							
Hard Winter	440	1,181	1,621	379	701	1,080	541
Hard Spring	285	312	598	153	188	341	257
Soft Red	40	435	475	138	299	437	38
White	76	338	414	54	267	321	93
Durum	61	108	171	52	59	111	60
All classes	902	2,374	3,279	776	1,514	2,290	989
1981/82:							
Hard Winter	541	1,115	1,656	363	755	1,118	538
Hard Spring	257	468	726	172	206	378	348
Soft Red	38	673	711	191	460	651	60
White	93	351	444	65	270	335	109
Durum	60	186	248	58	82	140	108
All classes	989	2,793	3,785	849	1,773	2,622	1,163
1982/83: 3/							
Hard Winter	538	1,263	1,801	379	730	1,109	692
Hard Spring	348	504	853	172	240	412	441
Soft Red	60	605	665	207	400	607	58
White	109	288	397	57	210	267	130
Durum	108	151	260	50	70	120	140
All classes	1,163	2,811	3,976	865	1,650	2,515	1,461

1/Data, except production, are approximations. Imports and exports include flour and products in wheat equivalent.
2/Total supply includes imports.
3/Projected.

Table 3--Wheat: Marketing year supply and disappearance, specified periods 1979-82*

Year and period	Supply				Ending stocks		
	Beginning stocks	Production	Imports 1/	Total	Gov't owned	Privately owned 2/	Total
	- - -Million bushels- - -						
1979/80							
June-Sept.	924.1	2,134.1	0.7	3,058.9	49.9	2,220.9	2,270.8
Oct.-Dec.	2,270.8	---	0.5	2,271.3	49.6	1,666.6	1,716.2
Jan.-Mar.	1,716.2	---	0.5	1,716.7	63.3	1,161.8	1,225.1
Apr.-May	1,225.1	---	0.4	1,225.5	141.7	760.3	902.0
Mkt. year	924.1	2,134.1	2.1	3,060.3	141.7	760.3	902.0
1980/81							
June-Sept.	902.0	2,374.3	0.8	3,277.1	202.1	2,270.2	2,472.3
Oct.-Dec.	2,472.3	---	0.6	2,472.9	203.5	1,699.7	1,903.2
Jan.-Mar.	1,903.2	---	0.7	1,903.9	203.2	1,125.4	1,328.6
Apr.-May	1,328.6	---	0.4	1,329.1	199.7	789.1	988.8
Mkt. year	902.0	2,374.3	2.5	3,278.8	199.7	789.1	988.8
1981/82							
June-Sept.	988.8	2,793.4	0.7	3,782.9	191.3	2,542.6	2,733.9
Oct.-Dec.	2,733.9	---	0.8	2,734.7	188.7	1,987.3	2,176.0
Jan.-Mar.	2,176.0	---	0.8	2,176.8	189.1	1,367.6	1,556.7
Apr.-May	1,556.7	---	0.5	1,557.2	190.3	972.4	1,162.7
Mkt. year	988.8	2,793.4	2.8	3,785.0	190.3	972.4	1,162.7
1982/83 4/							
June-Sept.	1,162.7	2,810.5	1.2	3,974.4	2,819.4	190.6	3,010.0
Oct.-Dec.							
Jan.-Mar.							
Apr.-May							
Mkt. year							

Year and period	Disappearance					
	Domestic use					
	Food	Seed	Feed 3/	Total	Exports 1/	Total disappearance
	- - -Million bushels- - -					
1979/80						
June-Sept.	198.5	33.0	45.6	277.1	511.0	788.1
Oct.-Dec.	157.9	37.0	-27.7	167.2	387.9	555.1
Jan.-Mar.	145.1	1.0	62.8	208.9	282.7	491.6
Apr.-May	94.6	30.0	5.3	129.9	193.6	323.5
Mkt. year	596.1	101.0	86.0	783.1	1,375.2	2,158.3
1980/81						
June-Sept.	197.2	38.0	51.2	286.4	518.4	804.8
Oct.-Dec.	167.1	44.0	-12.8	198.3	371.4	569.7
Jan.-Mar.	150.1	1.0	23.7	174.8	400.4	575.2
Apr.-May	96.1	31.0	-10.4	116.7	223.6	340.3
Mkt. year	610.5	114.0	51.7	776.2	1,513.8	2,290.0
1981/82						
June-Sept.	202.5	37.0	187.7	427.2	621.8	1,049.0
Oct.-Dec.	158.6	46.0	-73.6	131.0	427.7	558.7
Jan.-Mar.	151.7	1.0	26.4	179.1	441.0	620.1
Apr.-May	87.3	28.0	-3.2	112.1	282.4	394.5
Mkt. year	600.1	112.0	137.3	849.4	1,772.9	2,622.3
1982/83 4/						
June-Sept.	206.4	37.0	175.3	418.7	545.7	964.4
Oct.-Dec.						
Jan.-Mar.						
Apr.-May						
Mkt. year						

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Includes outstanding and reserve loans. 3/ Residual; approximates feed use and includes negligible quantities used for alcoholic beverages. 4/ Preliminary.
* Totals may not add due to rounding.

Table 4--Wheat, flour and wheat products, United States exports by months, 1980-82*

Year and Month	Wheat	Flour 1/ (Grain equivalent)	Products 2/ (Grain equivalent)	Monthly total	Accumulative total
			1,000 bushels		
1980/81					
June	96,193	4,230	912	101,335	101,335
July	123,598	2,082	1,222	126,902	228,237
August	141,415	5,057	711	147,183	375,420
September	137,325	3,774	1,849	142,949	518,369
October	116,948	2,785	1,284	121,017	639,386
November	112,199	2,165	1,005	115,369	754,755
December	132,048	1,739	1,230	135,017	889,772
January	129,981	2,658	890	133,529	1,023,301
February	124,397	5,217	1,010	130,624	1,153,925
March	128,770	6,353	1,114	136,238	1,290,163
April	127,652	7,347	4,433	139,432	1,429,596
May	78,030	4,803	1,406	84,239	1,513,835
Mkt. year	1,448,558	48,209	17,068	1,513,835	
1981/82					
June	124,521	5,794	1,827	132,142	132,142
July	138,168	2,779	1,150	142,097	274,239
August	145,428	3,455	1,009	149,892	424,131
September	194,148	2,496	1,037	197,681	621,812
October	156,993	868	1,171	159,032	780,844
November	127,495	511	1,407	129,413	910,257
December	137,757	935	572	139,264	1,049,520
January	124,163	1,767	1,211	127,141	1,176,661
February	138,719	8,068	1,875	148,662	1,325,323
March	159,078	5,775	351	165,204	1,490,527
April	148,181	8,838	2,246	159,265	1,649,792
May	116,496	5,983	692	123,171	1,772,963
Mkt. year	1,711,147	47,269	14,547	1,772,963	
1982/83					
June	156,914	4,587	971	162,472	162,472
July	117,914	1,393	476	119,783	282,255
August	124,336	3,499	1,073	128,908	411,164
September	130,992	2,527	984	134,503	545,667
October					
November					
December					
January					
February					
March					
April					
May					
Mkt. year					

1/ Includes meal and groats. 2/ Includes macaroni and bulgar.

* Totals may not add due to rounding.

Source: Bureau of the Census.

Table 4A-Wheat: Inspections for export by class and country of destination, June-May 1981/82

Country	Hard red spring	Hard red winter	Soft red winter	White	Durum	Mixed	Total
				1,000 bushels			
Algeria	1,053	2,014	2,599	0	20,622	0	26,288
Bangladesh	0	1,314	14,000	1,378	0	0	16,692
Belgium	2,197	7,082	2,154	0	618	0	12,051
Brazil	0	109,123	4,728	0	0	0	113,851
Chile	2,365	26,670	1,508	4,546	1,979	0	37,068
China (Mainland)	0	5,251	276,139	0	0	0	281,390
China (Taiwan)	8,582	8,217	2,855	5,056	0	0	24,710
Colombia	0	17,960	1,896	0	0	0	19,856
Costa Rica	1,840	347	354	0	283	0	2,824
Dominican Republic	3,555	765	907	0	0	0	5,227
Ecuador	0	10,501	0	0	0	0	10,501
Egypt	0	202	0	84,727	0	0	84,929
El Salvador	2,795	130	1,618	0	218	0	4,761
Finland	3,216	4,088	0	173	0	0	7,477
France	85	0	0	0	2,930	0	3,015
Germ Dr (E)	167	811	0	0	3,589	0	4,567
Germ Fr (W)	1,797	3,203	0	0	1,255	0	6,255
Guatemala	2,276	159	549	0	153	0	3,137
Haiti	3,738	516	0	0	0	0	4,254
Honduras	790	420	1,065	0	166	0	2,441
Hong Kong	2,338	0	0	1,575	0	0	3,913
India	404	17,867	263	36,645	0	0	55,179
Indonesia	11,417	7,766	0	10,043	0	0	29,226
Iran	0	0	17,257	11,442	0	0	28,699
Israel	0	14,484	2,205	0	0	0	16,689
Italy	11,676	1,126	3,101	0	14,839	0	30,742
Japan	29,105	48,131	4,395	44,894	1,176	0	127,701
Jordan	0	4,546	0	0	0	0	4,546
Korea Republic of	5,274	22,899	110	37,160	0	0	65,443
Kuwait	0	0	0	1,900	0	0	1,900
Lebanon	0	2,829	0	0	0	0	2,829
Mexico	189	28,589	129	0	0	0	28,907
Morrocco	0	344	39,845	328	1,408	0	41,925
Netherlands	28,292	1,173	479	1,126	7,100	0	38,170
Nigeria	2,310	35,261	1,619	0	0	4,543	43,733
Norway	0	4,187	0	0	0	0	4,187
Pakistan	0	0	2,345	2,341	0	0	4,686
Peru	0	37,262	0	0	0	0	37,262
Philippines	22,343	996	0	9,073	0	0	32,412
Poland	0	0	3,362		0	0	3,362
Portugal	0	13,708	8,947	0	1,469	0	24,124
Rep S. Africa	0	5,424	0	0	169	0	5,593
Saudi Arabia	5,956	8,512	0	0	0	0	14,468
Singapore	81	1,875	0	358	0	0	2,314
Spain	0	1,968	1,668	0	241	0	3,877
Sri Lanka	0	5,701	4,211	3,560	0	0	13,472
Sudan	0	8,726	0	0	0	0	8,726
Thailand	2,764	758	0	701	0	0	4,223
Trinidad	1,395	1,839	222	0	0	0	3,456
Tunisia	0	0	2,319	0	6,230	0	8,549
Turkey	0	0	29,022	590	0	0	29,612
United Kingdom	5,547	0	0	0	0	0	5,547
USSR	0	230,918	0	0	0	0	230,918
Venezuela	21,553	724	3,026	170	5,735	154	31,362
Yugoslavia	0	0	11,082	0	0	0	11,082
Zaire	502	3,948	0	0	0	901	5,351
Other	12,039	5,996	6,382	1,659	1,045	1,558	28,679
United States	197,641	716,330	452,361	259,445	71,225	7,156	1,704,158

Source: Grain Market News, Agricultural Marketing Service.

Table 5--Wheat: Price support loan status on specified dates, 1976-82 crops

Crop of	Total loans	Put in reserve	Repaid Loans	Repaid Reserve	Delivered to CCC	Outstanding Loans	Outstanding Reserve
			Million bushels				
			As of June 1, 1982				
1976	498.8	216.1	234.7	158.3	48.0	--	57.8
1977	590.8	195.0	393.6	140.0	2.2	--	55.0
1978	255.1	24.1	231.0	4.5	--	--	19.6
1979	180.5	40.0	140.5	5.7	--	--	34.3
1980	329.4	206.1	123.0	3.2	--	0.3	202.9
1981	444.5	191.1	140.5	0.3	1.2	111.7	190.8
Total	***	***	***	***	1/190.3	112.0	560.4
			As of October 1, 1982				
1976	498.8	216.1	234.7	158.7	48.0	--	57.4
1977	590.8	195.0	393.6	140.2	2.2	--	54.8
1978	255.1	24.1	231.0	4.5	--	--	19.6
1979	180.5	40.0	140.5	5.8	--	--	34.2
1980	329.4	206.2	123.0	3.6	--	0.2	202.6
1981	444.8	217.6	174.0	0.6	7.3	45.9	217.0
1982	335.2	283.4	0.8	--	--	51.0	283.4
Total	***	***	***	***	1/ 190.6	97.1	869.0
			As of January 1, 1982				
1976	498.8	216.1	234.7	157.9	48.0	--	58.2
1977	590.8	195.0	393.6	139.4	2.2	--	55.6
1978	255.1	24.1	231.0	4.3	--	--	19.8
1979	180.5	40.0	140.5	5.6	--	--	34.4
1980	329.4	204.0	121.0	2.9	--	4.4	201.1
1981	344.7	102.6	57.4	0.1	--	184.7	102.5
Total	***	***	***	***	1/188.7	189.1	471.6
			As of April 1, 1982				
1976	498.8	216.1	234.7	158.1	48.0	--	58.0
1977	590.8	195.0	393.6	139.8	2.2	--	55.2
1978	255.1	24.1	231.0	4.5	--	--	19.6
1979	180.5	40.0	140.5	5.7	--	--	34.3
1980	329.4	206.0	122.6	3.0	--	0.8	203.0
1981	427.4	164.7	101.4	0.2	--	161.3	164.5
Total	***	***	***	***	1/189.1	162.1	534.6

1/Includes outstanding CCC-owned stocks from loan forfeitures and open market purchases in March, 1980.

Source: Agricultural Stabilization and Conservation Service loan activity reports.

Table 6--White pan bread: Estimated price and marketing spreads of ingredients per 1 pound loaf and per cwt of flour, April-June 1981-1982*

Item 1/	April-June 1981		April-June 1982	
	Value per loaf	Value per cwt of flour	Value per loaf	Value per cwt of flour
	Cents	Dollars	Cents	Dollars
Retail price (BLS)	52.23	83.98	52.67	84.69
Price spreads				
Wholesale-to-retail 2/	9.87	15.87	8.65	13.91
Baking 3/	32.33	51.98	34.54	55.54
Flour milling	.99	1.59	.99	1.58
Other spreads				
Wheat, farm-to-flour mill	.90	1.45	.93	1.49
Other farm ingredients 4/	.88	1.42	.74	1.18
Flour, flour mill-to-baker	.62	.99	.60	.96
Nonfarm ingredients 5/	.99	1.59	1.05	1.70
Total farm-retail price spread	46.58	74.89	47.50	76.37
Farm value of ingredients				
Wheat	4.80	7.72	4.48	7.20
Other farm ingredients	.85	1.37	.69	1.12
Total farm value	5.65	9.09	5.17	8.31
Cost of farm ingredients				
Flour				
F.o.b. bakery	7.31	11.76	6.99	11.24
F.o.b. flour mill	6.70	10.77	6.39	10.28
Wheat 6/				
F.o.b. flour mill	5.71	9.18	5.40	8.69
Farm value	4.80	7.72	4.48	7.20
Other farm ingredients:				
F.o.b. bakery	1.73	2.79	1.43	2.30
Farm value	.85	1.37	.69	1.12

	Dollars per cwt	
Prices of flour and millfeeds		
Flour f.o.b. bakery	11.76	11.24
Flour f.o.b. flour mill	10.77	10.28
Millfeeds, f.o.b. flour mill	5.34	4.45
	Dollars per bushel	
Prices of wheat		
Wheat, f.o.b. flour mill	4.73	4.39
Farm value	3.98	3.63

1/ Price spreads may not add because of independent rounding. 2/ Difference between retail and wholesale price of bread. 3/ Difference between wholesale price and cost of bread ingredients, f.o.b. bakery. 4/ Includes processing, transportation, and merchandising for lard, soybean oil, HFCS, corn syrup, and soy-whey blend. Difference between estimated cost to baker and estimated farm value. 5/ Estimated cost to baker of yeast, yeast food, salt, and other nonfarm ingredients. 6/ Price adjusted for value of millfeeds.

* Spreads are developed by L.D. Schnake (Economist) and Karen Stuart, ERS, USDA, at the U.S. Grain Marketing Research Laboratory, Manhattan, Kansas 66502, (913) 539-9141.

Table 7--Wheat and flour: Price relationships at milling centers, annual and by periods, 1978-82

Year and period	At Kansas City					At Minneapolis				
	Cost of wheat to produce 100 lb. of flour 1/	Wholesale price of				Cost of wheat to produce 100 lb. of flour 1/	Wholesale price of			
		Bakery flour per 100 lb. 2/	Byprod-ucts obtained 100 lb. flour 3/	Total products			Bakery flour per 100 lb. 2/	Byprod-ucts obtained 100 lb. flour 3/	Total products	
				Actual	Over cost of wheat				Actual	Over cost of wheat
	Dollars									
1978/79										
June-Sept.	7.29	7.49	1.27	8.76	1.47	7.27	8.03	1.16	9.19	1.92
Oct.-Dec.	7.83	7.77	1.67	9.44	1.61	7.78	8.15	1.48	9.63	1.85
Jan.-Mar.	7.98	7.84	1.61	9.45	1.47	7.74	8.05	1.44	9.49	1.75
Apr.-May	8.31	8.46	1.35	9.81	1.50	8.26	8.65	1.29	9.94	1.68
Mkt. year	7.85	7.89	1.47	9.36	1.51	7.76	8.22	1.34	9.56	1.80
1979/80										
June-Sept.	9.87	9.91	1.70	11.61	1.74	9.88	10.22	1.61	11.83	1.95
Oct.-Dec.	10.50	10.39	1.85	12.24	1.74	9.99	10.57	1.63	12.20	2.21
Jan.-Mar.	9.79	10.02	1.77	11.79	2.00	9.46	10.20	1.45	11.65	2.19
Apr.-May	9.24	9.75	1.50	11.25	2.01	9.61	10.04	1.36	11.40	1.79
Mkt. year	9.85	10.02	1.70	11.72	1.87	9.73	10.26	1.51	11.77	2.04
1980/81										
June-Sept.	9.81	10.11	1.81	11.92	2.11	10.46	10.83	1.63	12.46	2.00
Oct.-Dec.	10.80	10.54	2.38	12.92	2.12	11.29	11.04	2.05	13.09	1.80
Jan.-Mar.	10.31	10.44	1.95	12.39	2.08	10.98	11.05	1.67	12.72	1.74
Apr.-May	10.27	10.42	1.81	12.23	1.96	11.08	11.09	1.76	12.85	1.77
Mkt. year	10.30	10.38	1.99	12.37	2.07	10.95	11.00	1.78	12.78	1.83
1981/82										
June-Sept.	9.69	10.33	1.55	11.88	2.19	10.08	10.82	1.49	12.31	2.23
Oct.-Dec.	9.93	10.13	1.79	11.92	1.99	9.84	10.52	1.43	11.95	2.11
Jan.-Mar.	9.85	10.66	1.41	12.07	2.22	9.63	10.82	1.23	12.05	2.42
Apr.-May	9.76	10.38	1.52	11.90	2.14	9.64	10.54	1.48	12.02	2.38
Mkt. year	9.81	10.37	1.57	11.94	2.13	9.80	10.67	1.41	12.08	2.28
1982/83 4/										
June-Sept.	9.24	10.14	1.39	11.53	2.29	9.31	10.43	1.25	11.68	2.37
Oct.-Dec.										
Jan.-Mar.										
Apr.-May										
Mkt. year										

1/Based on 73 percent extraction rate, cost of 2.28 bushels: At Kansas City, No. 1 Hd. Winter, 13 percent protein, and at Minneapolis, simple average of No. 1 Dark Northern Spring, 13 and 15 percent protein. 2/Quoted as 95 percent patent at Kansas City and standard patent at Minneapolis, bulk basis. 3/Assumed 50-50 millfeed distribution between bran and shorts or middlings, bulk basis. 4/Preliminary.

Source: Compiled from reports of Agricultural Marketing Service and Department of Labor.

Table 8--Wheat: Export prices by months, at selected ports, 1979-82

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
						Dollars per metric ton							
						Gulf: No. 1 Hard Red Winter, Ordinary protein							
1979/80	168	175	169	174	178	178	180	176	173	164	156	161	171
1980/81	158	169	171	180	188	195	182	187	182	175	180	172	178
1981/82	169	168	170	171	169	179	175	173	171	169	170	168	171
1982/83	156	152	153	153	147								
						Gulf: No. 1 Soft Red Winter							
1979/80	164	169	163	165	163	164	172	170	168	162	153	154	164
1980/81	146	163	165	176	187	193	180	187	176	168	172	143	171
1981/82	133	136	140	147	150	157	151	148	142	144	149	128	144
1982/83	126	128	122	119	113								
						Portland: No. 2 Western White							
1979/80	171	178	167	163	160	157	155	157	162	157	155	148	161
1980/81	147	158	157	162	172	180	170	174	173	166	166	165	166
1981/82	159	159	161	161	165	166	152	155	152	152	155	157	158
1982/83	156	153	158	162	161								
						Duluth: No. 2 Northern Spring, 14% protein							
1979/80	163	166	1/	1/	167	158	1/	1/	1/	1/	146	158	159
1980/81	158	174	168	170	177	180	1/	1/	1/	1/	176	175	172
1981/82	170	164	159	156	158	161	1/	1/	1/	1/	164	154	161
1982/83	151	152	146	148	147								

1/No price quotes available.

Source: Grain Market News, Agricultural Marketing Service.

Table 9--Wheat: Rotterdam, c.i.f., quotations by months, 1979-82 1/

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
						Dollars per metric ton							
						United States No. 2 Hard Winter, 13.5%							
1979/80	193	204	200	205	209	212	212	200	200	197	NQ	NQ	203
1980/81	203	204	209	214	224	233	235	233	225	212	211	206	217
1981/82	203	204	201	200	200	212	206	200	199	198	206	204	203
1982/83	176	176	2/	2/									
						United States Dark Northern Spring, 14%							
1979/80	192	202	194	199	205	204	205	206	205	196	188	199	200
1980/81	197	194	189	212	216	226	235	245	240	209	210	207	218
1981/82	197	194	189	190	193	196	190	204	204	195	190	184	194
1982/83	178	178	174	175									

1/Hamburg Mercantile Exchange prices for Rotterdam. 2/No price quotes available.

Source: World Grain Situation, Foreign Agricultural Service.

Table 10--Wheat: Farm price for leading classes and major feed grain in region, 1979-82 1/

Commodity and year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average	Loan rate
							All prices for 60 pounds							
							Central and So. Plains (Hard Winter) 2/							
Wheat:														
1979/80	3.63	3.81	3.72	3.82	3.86	3.93	3.89	3.81	3.73	3.51	3.36	3.48	3.71	2.43
1980/81	3.49	3.63	3.75	3.86	4.10	4.19	4.01	4.08	3.99	3.83	3.88	3.75	3.88	2.94
1981/82	3.70	3.65	3.62	3.70	3.73	3.87	3.80	3.77	3.71	3.72	3.71	3.63	3.72	3.13
1982/83	3.44	3.30	3.25	3.29										3.36
Sorghum:														
1979/80	2.55	2.68	2.51	2.48	2.45	2.45	2.41	2.43	2.44	2.47	2.40	2.45	2.48	2.12
1980/81	2.58	2.94	3.06	3.18	3.31	3.33	3.34	3.33	3.28	3.14	3.18	3.12	3.15	2.27
1981/82	3.03	2.96	2.65	2.37	2.34	2.36	2.39	2.44	2.42	2.43	2.47	2.61	2.54	2.42
1982/83	2.60	2.57	2.49	2.44										2.57
							Cornbelt (Soft Red Winter) 3/							
Wheat:														
1979/80	3.85	4.01	3.86	3.93	4.00	3.87	3.99	4.03	4.11	3.82	3.59	3.62	3.89	2.48
1980/81	3.58	3.82	4.02	4.19	4.41	4.59	4.50	4.50	4.28	4.03	4.00	3.59	4.13	3.00
1981/82	3.24	3.47	3.39	3.49	3.59	3.74	3.69	3.69	3.38	3.34	3.40	3.26	3.47	3.20
1982/83	3.13	3.06	3.00	2.89										3.56
Corn:														
1979/80	2.78	3.02	2.88	2.81	2.59	2.48	2.71	2.66	2.65	2.63	2.60	2.68	2.71	2.31
1980/81	2.76	3.06	3.28	3.36	3.28	3.46	3.53	3.54	3.58	3.58	3.57	3.56	3.38	2.46
1981/82	3.47	3.44	3.11	2.76	2.64	2.52	2.54	2.74	2.63	2.66	2.77	2.86	2.85	2.62
1982/83	2.82	2.76	2.57	2.30										2.78
							Northern Plains (Spring and Durum) 4/							
Wheat:														
1979/80	3.49	3.69	3.62	3.67	3.83	3.75	3.61	3.54	3.60	3.57	3.66	3.80	3.65	2.51
1980/81	3.89	4.07	3.97	4.02	4.24	4.39	4.28	4.33	4.30	4.21	4.29	4.31	4.19	3.02
1981/82	4.15	3.95	3.69	3.66	3.67	3.74	3.66	3.65	3.63	3.63	3.68	3.67	3.73	3.21
1982/83	3.61	3.58	3.46	3.46										3.57
Barley:														
1979/80	2.65	2.72	2.50	2.65	2.72	2.77	2.68	2.68	2.52	2.60	2.51	2.60	2.64	2.02
1980/81	2.82	2.69	3.14	3.32	3.44	3.69	3.62	3.62	3.72	3.72	3.73	3.69	3.43	2.16
1981/82	3.38	2.72	2.71	2.98	2.81	2.89	2.85	2.86	2.89	2.82	2.82	2.83	2.88	2.28
1982/83	2.76	2.44	2.11	1.98										2.45
							Pacific Northwest (White) 5/							
Wheat:														
1979/80	3.98	3.93	4.12	4.03	3.91	3.89	3.73	3.68	3.80	3.71	3.66	3.56	3.83	2.57
1980/81	3.53	3.71	3.67	3.80	4.03	4.12	4.08	4.05	4.06	4.11	4.02	4.08	3.94	3.08
1981/82	3.99	3.82	3.80	3.81	3.91	3.95	3.86	3.92	3.80	3.75	3.77	3.75	3.84	3.29
1982/83	3.74	3.72	3.76	3.78										3.65
Barley:														
1979/80	2.69	3.08	3.00	3.09	3.07	3.34	3.10	3.10	3.10	3.18	3.21	3.12	3.09	2.26
1980/81	3.16	3.34	3.32	3.35	3.70	3.80	3.99	4.07	4.15	4.07	3.95	3.99	3.74	2.40
1981/82	3.72	3.39	3.19	3.10	3.08	3.34	3.20	3.24	3.21	3.39	3.41	3.45	3.31	2.55
1982/83	3.25	3.02	3.11	2.73										2.71
							U.S. Average							
Wheat:														
1979/80	3.72	3.89	3.74	3.87	3.98	3.94	3.81	3.74	3.78	3.64	3.58	3.69	6/3.78	2.50
1980/81	3.69	3.81	3.94	3.99	4.19	4.32	4.22	4.21	4.17	4.09	4.07	3.95	6/3.91	3.00
1981/82	3.70	3.62	3.62	3.66	3.77	3.85	3.80	3.78	3.70	3.67	3.68	3.64	6/3.65	3.20
1982/83	3.39	3.26	3.34	3.38										3.55

1/To adjust price to relative feed value multiply: corn 1.00; wheat 1.05; barley .90; sorghum .95; reported in Consumption of Feed by Livestock, Report No. 79, ERS, USDA. 2/Kansas, Nebraska, Texas, Oklahoma, and Colorado. 3/Ohio, Indiana, Illinois, and Missouri. 4/North Dakota, South Dakota, and Minnesota. 5/Washington, Oregon, and Idaho. 6/Season average price includes allowance for unredeemed loans and purchases.

Table 11--Wheat: Cash prices for leading classes at major markets, 1979-82

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
						Dollars per bushel							
					Kansas City, No. 1 Hard Red Winter (ordinary protein)								
1979/80	4.17	4.34	4.12	4.26	4.39	4.53	4.51	4.33	4.32	4.07	3.90	4.10	4.25
1980/81	4.07	4.21	4.31	4.45	4.70	4.89	4.54	4.60	4.47	4.35	4.48	4.36	4.45
1981/82	4.24	4.25	4.14	4.19	4.31	4.46	4.35	4.33	4.26	4.25	4.28	4.22	4.27
1982/83	4.06	3.74	3.70	3.75									
					13% protein								
1979/80	4.22	4.42	4.28	4.39	4.55	4.67	4.60	4.40	4.35	4.14	3.96	4.14	4.34
1980/81	4.12	4.25	4.34	4.49	4.70	4.91	4.60	4.67	4.50	4.40	4.57	4.44	4.50
1981/82	4.36	4.26	4.16	4.22	4.29	4.44	4.33	4.35	4.32	4.29	4.32	4.24	4.30
1982/83	4.15	4.12	4.00	3.94									
					Chicago, No. 2 Soft Red Winter								
1979/80	4.36	4.39	4.23	4.28	4.30	4.13	4.26	4.36	4.39	4.18	3.96	4.04	4.24
1980/81	3.96	4.17	4.21	4.38	4.70	4.92	4.54	4.57	4.34	4.15	4.18	3.80	4.33
1981/82	3.60	3.70	3.70	3.87	3.97	4.08	3.86	3.77	3.57	3.59	3.70	3.43	3.74
1982/83	3.31	3.36	3.35	3.18									
					St. Louis, No. 2 Soft Red Winter								
1979/80	4.08	4.18	4.04	4.08	4.02	4.10	4.28	4.26	4.32	4.11	3.80	3.93	4.10
1980/81	3.73	4.10	4.19	4.42	4.78	4.96	4.78	4.80	4.57	4.32	4.36	3.67	4.39
1981/82	3.41	3.54	3.56	3.67	3.74	4.05	3.90	3.76	3.60	3.61	3.72	3.31	3.66
1982/83	3.25	3.27	3.14	3.06									
					Toledo, No. 2 Soft Red Winter								
1979/80	4.17	4.37	4.22	4.28	4.29	4.21	4.28	4.21	4.32	4.08	3.80	3.90	4.18
1980/81	3.84	4.14	4.16	4.38	4.82	5.02	4.65	4.70	4.47	4.16	4.16	3.76	4.36
1981/82	3.55	3.63	3.71	3.83	3.98	4.08	3.85	3.71	3.47	3.46	3.63	3.45	3.70
1982/83	3.35	3.36	3.28	3.09									
					Toledo, No. 2 Soft White								
1979/80	4.08	4.31	4.15	4.17	4.12	4.20	4.18	4.10	4.14	3.90	3.63	3.74	4.06
1980/81	3.71	4.05	4.15	4.31	--	--	4.44	4.49	4.21	3.87	3.87	3.62	4.07
1981/82	3.43	3.62	3.77	3.91	3.99	4.10	3.82	3.68	3.49	3.47	3.61	3.45	3.70
1982/83	3.35	3.49	3.42	3.22									
					Portland, No. 1 Soft White								
1979/80	4.46	4.67	4.45	4.31	4.13	4.16	4.10	4.10	4.26	4.13	4.02	3.91	4.22
1980/81	3.92	4.15	4.06	4.23	4.48	4.68	4.40	4.52	4.52	4.41	4.51	4.41	4.36
1981/82	4.26	4.27	4.25	4.21	4.38	4.42	4.00	4.12	4.09	4.02	4.14	4.24	4.20
1982/83	4.18	4.13	4.16	4.29									
					Minneapolis, No. 1 Dark No. Spring (ordinary protein)								
1979/80	4.23	4.31	4.10	4.18	4.31	4.27	4.18	4.06	4.13	4.04	3.94	4.21	4.16
1980/81	4.19	4.54	4.22	4.17	4.62	4.78	4.62	4.65	4.53	4.32	4.41	4.44	4.46
1981/82	4.29	4.18	4.03	4.07	4.22	4.29	4.15	4.21	4.17	4.10	4.21	4.16	4.17
1982/83	4.08	4.08	3.78	3.79									
					14% protein								
1979/80	4.32	4.42	4.19	4.29	4.45	4.29	4.17	4.07	4.08	4.02	3.96	4.31	4.21
1980/81	4.33	4.69	4.55	4.56	4.82	4.95	4.77	4.81	4.78	4.67	4.80	4.77	4.71
1981/82	4.56	4.50	4.25	4.23	4.29	4.38	4.22	4.28	4.21	4.16	4.25	4.20	4.29
1982/83	4.13	4.16	3.96	4.02									
					Hard Amber Durum, No. 1 (medium)								
1979/80	4.75	4.99	4.88	5.27	5.80	5.38	4.99	4.93	5.05	4.98	4.89	5.21	5.09
1980/81	5.79	7.12	7.19	7.26	7.34	7.22	6.90	7.07	7.02	6.66	6.10	6.04	6.81
1981/82	4.86	4.91	4.75	4.56	4.60	4.58	4.51	4.59	4.57	4.45	4.45	4.49	4.61
1982/83	4.38	4.26	4.07	4.02									

Source: Grain Market News, Agricultural Marketing Service.

Table 12--Wheat and Wheat Flour: World trade, production, stocks, and utilization, July-June 1979-82

Country or region	1979/80	1980/81	1981/82	1982/83 as of Nov. 16
		Million metric tons		
Exports:				
Canada	15.0	17.0	17.8	19.5
Australia	14.9	10.6	11.0	7.5
Argentina	4.8	3.9	4.3	5.5
EC-10	10.4	14.7	15.5	16.5
USSR	0.5	0.5	0.5	0.5
All others	3.2	5.7	3.8	5.5
Total non-U.S.	48.8	52.4	52.8	55.0
USA 1/	37.2	41.9	49.1	45.0
World total	86.0	94.3	101.9	100.0
Imports:				
EC-10	5.3	4.6	4.7	4.4
USSR	12.1	16.0	19.5	17.0
Japan	5.6	5.8	5.6	5.6
E. Europe	6.1	6.0	6.4	4.6
China (Mainland)	8.9	13.8	13.2	14.0
All others	48.1	48.0	52.5	54.3
World total	86.0	94.3	101.9	100.0
Production: 2/				
Canada	17.2	19.3	24.8	26.8
Australia	16.2	10.9	16.4	8.5
Argentina	8.1	7.8	7.8	11.0
EC-10	48.8	55.1	54.4	58.1
USSR 3/	90.2	98.2	80.0	86.0
E. Europe	27.6	34.5	30.5	33.9
China (Mainland)	62.7	54.2	58.5	59.5
India	35.5	31.8	36.5	36.5
All other foreign	58.4	63.1	61.0	64.7
USA	58.1	64.6	76.0	76.5
World total	422.8	439.3	445.8	461.6
Utilization: 4/				
USA	21.3	21.1	23.2	22.9
USSR 3/	114.8	116.7	99.0	102.5
China (Mainland)	71.6	67.9	71.7	73.5
All other foreign	236.1	239.1	244.4	253.9
World total	443.8	444.8	438.3	452.8
Stocks, ending: 5/	80.1	74.6	82.2	90.9

1/Includes transshipments through Canadian ports; excludes products other than flour. 2/Production data include all harvests occurring within the July-June year shown, except that small grain crops from the early harvesting Northern Hemisphere areas are "moved forward;" i.e., the May 1979 harvests in areas such as India, North Africa, and Southern United States are actually included in "1979/80" accounting period which begins July 1, 1979. 3/"Bunker weight" basis: not discounted for excess moisture and foreign material. 4/Utilization data are based on an aggregate of differing local marketing years. For countries which stocks data are not available (excluding the USSR) utilization estimates represent "apparent" utilization, i.e., they are inclusive of annual stock level adjustments. 5/Stocks data are based on an aggregate of differing local marketing years and should not be construed as representing world stock levels at a fixed point in time. Stocks data are not available for all countries and exclude those such as China and part of Eastern Europe; the world stock levels have been adjusted for estimated year-to-year changes in USSR grain stocks, but do not purport to include the entire absolute level of USSR stocks.

Source: Foreign Agricultural Service. World Grain Situation.

Table 13--Rye: Supply, disappearance, area, and prices, marketing years 1978-82*

Item	1978/79	1979/80	1980/81	1981/82 (prel.)	1982/83 (proj.)
			Million bushels		
Supply					
Beginning stocks, June 1	4.0	9.0	12.2	4.1	3.1
Production	24.1	22.4	16.5	18.6	19.9
Imports	0.1	1/	1/	0.4	1.0
Total	28.2	31.4	28.7	23.2	24.0
Domestic disappearance					
Food	3.7	3.5	3.5	3.5	3.5
Industry	2.4	2.1	2.1	2.2	2.1
Seed	4.6	4.0	4.2	4.2	4.2
Feed 2/	8.1	7.1	7.3	8.7	7.5
Total	18.8	16.7	17.1	18.6	17.3
Exports	0.4	2.4	7.5	1.5	1.5
Total disappearance	19.2	19.2	24.6	20.1	18.8
Ending stocks, May 31	9.0	12.2	4.1	3.1	5.2
			Million acres		
Area					
Planted	2.9	2.9	2.5	2.6	2.6
Harvested	0.9	0.9	0.7	0.7	0.7
			Bushels per acre		
Yield per harvested acre	26.0	25.8	24.4	26.7	28.5
			Dollars per bushel		
Prices					
Received by farmers	1.99	2.06	2.64	2.95	2.95
Minneapolis No. 2	2.44	2.47	3.35	3.78	
Loan rate	1.70	1.79	1.91	2.04	2.17

1/ Less than 50,000 bushels.

2/ Residual, approximates total feed use.

* Totals may not add due to rounding.

Table 14--Rye: Marketing year supply and disappearance, specified periods, 1980-82

Year and period	Supply				
	Beginning stocks	Production	Imports	Total supply	Ending stocks
	- - -1,000 bushels- - -				
1980/81					
June-Sept.	12,192	16,483	5	28,680	18,510
Oct.-Dec.	18,510	---	1	18,511	9,346
Jan.-Mar.	9,346	---	4	9,350	6,868
Apr.-May	6,868	---	1/	6,868	4,145
Mkt. year	12,192	16,483	TO	28,685	4,145
1981/82					
June-Sept.	4,145	18,621	33	22,799	14,452
Oct.-Dec.	14,452	---	6	14,458	7,834
Jan.-Mar.	7,834	---	72	7,906	5,714
Apr.-May	5,714	---	321	6,035	3,081
Mkt. year	4,145	18,621	432	23,198	3,081
1982/83 2/					
June-Sept.	3,081	19,924	821	23,826	15,897
Oct.-Dec.					
Jan.-Mar.					
Apr.-May					
Mkt. year					

Year and period	Disappearance						
	Domestic use					Exports	Total disappearance
	Food	Seed	Industry	Feed 3/	Total		
	- - -1,000 bushels- - -						
1980/81							
June-Sept.	1,150	2,075	370	3,364	6,959	3,211	10,170
Oct.-Dec.	960	1,868	486	2,726	6,040	3,125	9,165
Jan.-Mar.	821	207	707	30	1,765	717	2,482
Apr.-May	584	---	487	1,211	2,282	441	2,723
Mkt. year	3,515	4,150	2,050	7,331	17,046	7,494	24,540
1981/82							
June-Sept.	1,170	2,080	419	4,630	8,299	48	8,347
Oct.-Dec.	881	1,872	624	1,888	5,265	1,359	6,624
Jan.-Mar.	885	208	779	210	2,082	110	2,192
Apr.-May	522	---	421	1,999	2,942	12	2,954
Mkt. year	3,458	4,160	2,243	8,727	18,588	1,529	20,117
1982/83 2/							
June-Sept.	1,162	2,097	500	4,077	7,836	93	7,929
Oct.-Dec.							
Jan.-Mar.							
Apr.-May							
Mkt. year							

1/ Less than 500 bushels. 2/ Preliminary. 3/ Residual; approximates total feed use.

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